

# M e m o r a n d u m

To: Panel Members

Date: June 22, 2007

From: Ruby Cohen, Manager

Agr. No: ET08-0118

Analyst: F. Lukka

Subject: ONE-STEP AGREEMENT FOR \$50,000 OR LESS

## **CONTRACTOR:**

- Contractor's Legal Name: ABSO
- Type of Industry: Services
- Nature of Business: Sales, Customer Service
- Contractor's Total Number of Full-Time Employees:
  - *Worldwide:* 126
  - *In California:* 111
  - *Number to be trained:* 75
- Turnover Rate: 31%
- Repeat Contractor: No

## **CONTRACT:**

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$49,500
- Employer Contribution: \$73,854
- Average Cost per Trainee: \$660
- Range Of Hourly Wages At Retention: \$12.38 to \$33.50
- Health Benefits: \$2.30 per hour
- Occupations to be Trained: Sales Representatives, Customer Service Staff, Administrators, Data Processors, Managers
- Training Menu: Business Skills, Computer Skills, Continuous Improvement Skills

- Range of Hours: 24 - 80
- County(ies) Served: Placer
- Union Representation: No
- Subcontractor: Sierra College, Rocklin
- Third Party Services: N/A

**NARRATIVE:**

Founded in 2000 ABSO has grown from a company of 6 employees to 126 employees in only seven years. ABSO develops and delivers integrated, customized, Web-enabled solutions designed to aid in the background verification, applicant management and human resource collaboration processes. The company serves large and small businesses with legal, factual, up-to-date, systems and information enabling intelligent decisions and reduced costs via automation. ABSO empowers its clients to reduce risk, cost and workload while improving productivity by delivering accurate, timely nationwide information services and Web-based information management applications. Designed from the ground up to utilize the latest Internet technologies, its products are easy-to-use, secure, reliable, scalable, and industry standards compliant. The goal of its designs are to replace archaic manual processes with state-of-the-art, innovative online solutions.

Being a young company, ABSO is currently operating by trying to catch up with its growth, while it is anticipated that with the assistance of ETP, ABSO will improve its job satisfaction and be able to plan for its growth. ABSO is requesting ETP funding to provide employees with the knowledge and skills necessary to be competitive in a nationwide market. With ETP training, employees will be able to automate current processes, increase productivity, reduce errors, and improve negotiation skills with customers. Managers will also be able to foster team communication and motivation.

**COMMENTS / ISSUES:**

- **Frontline Workers**

Most participants in this project meet the Panel definition of frontline worker under Title 22, California Code of Regulations (CCR) Section 4400 (ee) except for ten managers (13% of trainee population).

- **Production During Training**

The Company agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

**COMMENTS / ISSUES:** (continued)

- **Turnover Rate – Waiver**

ABSO is a young company only seven years old growing from 6 employees to 126 employees. At issue is the 31 percent turnover rate for the calendar year of 2006. ABSO will be employing new strategies to lower its turnover rate. These strategies include: hiring a Human Resources Generalist; changes to recruiting and hiring processes; increasing training to current employees; and additional incentives such as the addition of a 24 Hour Fitness membership for employees.

ABSO also believes that the proposed ETP funding will enable it to significantly lower its turnover rate through the implementation of business skills and continuous improvement skills. According to ABSO, ETP funding support will allow ABSO to develop and establish a training program so that it will be able to attract more qualified employees and to retain them.

In accordance with Title 22, CCR, Section 4417, Secure Job, “the Panel may accept a turnover rate, which exceeds 20 percent, if the proposed training will significantly decrease the turnover rate.” ABSO will earn the final 25 percent progress payment if the average turnover rate for the last 12 months of the Agreement is 20 percent.

**RECOMMENDATION:**

Staff recommends that the Panel approve this proposal and accept the company’s turnover rate waiver request. This is based on ABSO’s stated need to maintain and develop a skilled workforce and establish a high performance workplace.